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AUTHOR Duronio, Margaret A.; Loessin, Bruce A.
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ABSTRACT

An analysis of fund raising outcome for private and public institutions is presented for the 5-year period between 1983/84 and 1987/88. The results of research involving intensive case studies of fund raising practices and policies in 10 dissimilar institutions with successful fund raising programs are offered. Fund raising outcomes for the above-mentioned years are discussed according to: overall support, donor groups, and types of institutions. It is noted that fierce competition will continue to increase for available philanthropic dollars, and public institutions are taking an increasingly larger portion of those funds. Research on fund raising effectiveness shows the following: private institutions in general are more likely to be outstanding in characteristics of successful fund raising; clarity of institutional image and presidential leadership are the two elements found most often to be outstanding in successful fund raising programs; and fund raising success does not require that an institution be outstanding in all or even a majority of the elements. An appendix provides 10 case-by-case analyses. Tables are included. Contains 8 references. (SM)

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VICE PRESIDENT FOR UNIVERSITY RELATIONS AND DEVELOPMENT

FUND RAISING OUTCOMES AND EFFECTIVENESS
IN PRIVATE AND PUBLIC INSTITUTIONS

Margaret A. Duronio
Assistant to Vice President for
University Relations and Development

Bruce A. Loessin
Vice President for University Relations
and Development

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Texas A&M University
Department of Educational
Administration
College Station, TX 77843
(409) 845-0393

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FUND RAISING OUTCOMES AND EFFECTIVENESS

IN PRIVATE AND PUBLIC INSTITUTIONS

Total giving to philanthropic causes reached \$104.4 billion in 1987/8 (Giving USA, 1989), an increase of 6.7% over gifts in 1986/7. For the first time since 1975 (and only the third time in 25 years [Council for Aid to Education, 1989]), total gifts to education decreased slightly, from \$9.84 billion in 1986/7 to \$9.78 billion in 1987/8. Gifts to higher education dropped by an estimated \$300 million in 1987/8, a decrease of 3.5%. Voluntary Support of Education, the yearly report on fund raising outcomes compiled by the Council for Aid to Education (CFAE, 1989), explained,

"The drop in giving occurred after three years during which contributions rose...at an astonishing -- and unsustainable -- annual rate of 15 percent. With the one-two punch of a new tax law followed by the 1987 Wall Street collapse, it's no wonder there was a decline in giving. Therefore, we see the 1987-88 drop as more of a mid-course correction than a setback to the growth of private support of education" (inside cover).

In spite of CFAE's optimism, it remains to be seen whether overall giving to higher education will continue to decrease. Under any circumstances, competition among all fund-seeking non-profit organizations, not just higher education institutions, will continue to increase. To stay competitive, or to enter the competition for the first time, more and more higher education institutions are stepping up their fund raising efforts; more and more new practitioners are entering the field each year.

Practitioners and administrators in all institutions are in need of more

research-based guidelines for improving and assessing the fund raising success of their own institutions. This paper responds to that need in two ways by presenting (1) an analysis of fund raising outcomes for private and public institutions for the five-year period between 1983/4 and 1987/8, and (2) the results of research involving intensive case studies of fund raising practices and policies in ten dissimilar institutions with successful fund raising programs. This research, funded by the Lilly Endowment, Inc., was completed in late spring, 1989. The second section of this paper will focus on differences in research findings for public and private institutions.

FUND RAISING OUTCOMES FOR 1983/4 THROUGH 1987/8

Overall Support

In spite of the recent decline, overall voluntary support to higher education increased by 53% from 1983/4 to 1987/8, as shown in Table 1. (All figures for support to higher education are taken or derived from the 1985 and 1989 CFAE reports.) One of the most notable trends for this five-year period is the small but steady increase in fund raising outcomes for public institutions. During this period, gifts to all public institutions increased by 68.2%, and by 42.0% to all private institutions.

In 1983/4 public institutions raised 32.4% of all gifts to higher education, but by 1987/8 public institutions claimed 36.3% of the money raised.

Donor Groups

Table 2 shows total gifts to private and public institutions from major donor groups.

Alumni. Total alumni gifts to higher education increased from \$1.1 billion in 1983 to more than \$1.7 billion in 1987, an increase of 60.8%. During that period, alumni gifts to public institutions increased by 97.8% and by 49.6%

Table 1

Total Voluntary Support for Private and Public Institutions for 1983/4 and 1987/8

	1983/4 amount	% of total	1987/8 amount	% of total	5-year change
Total	\$4,678,000	100.0	\$7,041,000 ^a	100.0	+50.5%
All private	3,159,000	67.5	4,486,000	63.7	+42.0%
All public	1,519,000	32.5	2,555,000	36.3	+68.2%

Note. Dollar figures in thousands (add 000).

^aAmount actually reported to CFAE.

Table 2

Total Gifts from Four Major Donor Groups by Private and Public Institutions for
1983/4 and 1987/8

	1983/4	% of	1987/8	% of	5-year
	amount	total	amount	total	change
<u>Alumni gifts</u>					
All private	\$ 835,500	76.7	\$1,249,700	71.3	+49.6%
All public	254,100	23.3	502,500	28.7	+97.8%
Total	1,089,600	100.0	1,752,200	100.0	+60.8%
<u>Non-alumni gifts</u>					
All private	785,000	71.7	1,140,200	68.8	+45.2%
All public	309,500	28.3	517,000	31.2	+67.0%
Total	1,094,500	100.0	1,657,200	100.0	+51.4%
<u>Corporation gifts</u>					
All private	560,000	52.8	785,400	49.3	+40.3%
All public	500,700	47.2	809,100	50.7	+61.6%
Total	1,060,700	100.0	1,594,500	100.0	+50.3%
<u>Foundation gifts</u>					
All private	641,400	70.5	926,500	67.3	+44.4%
All public	268,200	29.5	450,000	32.7	+67.8%
Total	909,600	100.0	1,376,500	100.0	+51.3%

Note. Dollar figures in thousands (add 000).

to private institutions. In 1983 alumni gifts to public institutions represented 23.3% of all alumni dollars; by 1987 alumni gifts to public institutions had climbed to 28.7% of all alumni dollars.

Since alumni constituencies are somewhat discrete, this increase in alumni support to public institutions does not mean that public institutions are siphoning off support that earlier might have gone to private schools; it means that public schools are more active in alumni fund raising and are doing a better job with their own alumni.

Non-alumni individuals. Total non-alumni individual gifts to higher education increased from about \$1.1 billion in 1983/4 to about \$1.7 billion in 1987/8, an overall increase of 51.4%. During that period, non-alumni individual gifts to public institutions increased by 67% and by 45.2% to private institutions.

In 1983 non-alumni gifts to public institutions represented 28.3% of all non-alumni gifts; by 1987 non-alumni gifts to public institutions had climbed to 31.2% of all non-alumni dollars.

The donor pool of non-alumni individuals who make gifts to private and public institutions may also be discrete constituencies, since at least a portion of non-alumni donors are parents of enrolled students. Although it is less clear than for alumni donors, it may also be that increased non-alumni support to public institutions does not necessarily mean that publics are draining off support that might otherwise have been claimed by private schools.

Corporation gifts. Total corporation gifts to higher education increased from about \$1.1 billion in 1983/4 to about \$1.6 billion in 1987/8, an overall increase of 50.3%. During that period, corporation gifts to public institutions increased by 61.6%, and by 40.3% to private institutions.

In 1983 corporation gifts to public institutions represented 47.2% of all corporation gifts; by 1987 corporation gifts to public institutions had climbed to 50.7% of all corporation dollars.

It seems likely that increased corporation support to public institutions results in decreased corporation support to private institutions. This is a particular area of concern for private institutions since overall corporation gifts to philanthropy have increased by a much smaller percentage since 1985 than they did in the early 1980's. (Total philanthropic gifts from corporations increased each year by an average of about 14% from 1981 through 1985. The average increase for 1986, 1987, and 1988 was about 2% [Giving USA, 1989]).

Foundation gifts. Total foundation gifts to higher education increased from about \$910 million in 1983/4 to about \$1.4 billion in 1987/8, an overall increase of 51.3%. During that period, foundation gifts to public institutions increased by 67.8%, and by 44.4% to private institutions.

In 1983 foundation gifts to public institutions represented 29.4% of all foundation gifts to higher education; by 1987 foundation gifts to public institutions had climbed to 32.7% of all foundation dollars to higher education.

It also seems likely that increased foundation support to public institutions results in decreased foundation support to private institutions. Average gifts to all philanthropic causes from foundations reached an all-time high of \$6.13 billion in 1987-8, an increase of 4.25% over the previous year (Giving USA, 1989). Foundation gifts do not represent the same "shrinking pie" that corporation gifts do, but public institutions are taking a bigger slice.

Types of Institutions

Table 3 shows total voluntary support and percent increases for ten types of higher education institutions for 1983/4 and 1987/8.

Table 3

Total Voluntary Support for Ten Types of Higher Education Institutions for
1983/4 and 1987/8

	1983/4			1987/8			5-year ^a change
	N	Total Amount	Average per Inst.	N	Total Amount	Average per Inst.	
Private research universities	27	\$1,212,000	\$44,900	26	\$1,826,000	\$70,200	+50.7%
Public research universities	26	745,000	28,700	29	1,244,000	42,900	+67.0%
Private doctoral universities	29	383,000	13,200	45	709,000	15,700	+85.1%
Private doctoral universities	68	498,000	7,300	83	899,000	10,800	+80.5%
Private comprehensive universities	135	487,000	3,600	171	617,000	3,200	+26.7%
Public comprehensive universities	124	118,000	950	154	213,000	1,400	+80.5%
Private baccalaureate colleges	411	862,000	2,100	336	1,071,000	3,200	+24.2%
Public baccalaureate colleges	39	25,000	650	12	15,000	1,200	-40.0%
Private 2-year colleges	42	21,000	490	25	20,000	800	-4.8%
Public 2-year colleges	94	15,000	150	125	49,000	390	+226.7%

Note. Dollar figures in thousands (add 000).

^a5-year change in total amount raised by each type.

All types of institutions increased total voluntary support in the period from 1983/4 to 1987/8 except for public baccalaureate institutions and private two-year colleges. (CFAE used a new classification system for reporting outcomes from 1987/8. Many schools previously classified as public baccalaureates are now classified as public comprehensives, so the five-year change of -40.0% for public baccalaureates is probably not representative of the actual institutions once classified in this group. On the other hand, the decline of 4.8% in total support to private two-year colleges may be more reflective of schools of this type. Nevertheless, 42 private two-year schools reported raising a total of \$21 million in 1983, with an average per school of about \$500,000 each. In 1987, only 25 schools reported; total dollars raised for this group were \$20 million, with an average per school of about \$800,000.)

Public two-year colleges had the highest percent increase (226.7%) for the five-year period, jumping from a total of \$15 million raised by 94 institutions in 1983 to a total of \$49 million raised by 125 colleges in 1987. Average total gifts for each public two-year school were about \$150,000 in 1983, and about \$390,000 in 1987.

Tables 4, 5, 6, and 7 show gifts from each of the four major donor groups to each type of institution. In 1983/4 each type of private institution had a higher average (per institution) gift than the corresponding public type for each donor group (e.g., the average total for alumni donors for private research universities was \$12.6 million per school, while the average total for alumni for public research universities was \$4.9 million; similarly, the average total for foundation donors for private comprehensive universities was \$700,000 per school, while the average total for foundation gifts for public comprehensive universities was \$130,000).

Table 4

Alumni Gifts for Ten Types of Higher Education Institutions for 1983/4 and 1987/8

	1983/4			1987/8			
	N	Total Amount	Average per Inst.	N	Total Amount	Average per Inst.	5-year ^a change
Private research universities	27	\$339,000	\$12,600	26	\$522,000	\$20,100	+54.0%
Public research universities	26	126,500	4,900	29	232,500	8,000	+83.8%
Private doctoral universities	29	90,000	3,100	45	171,500	3,800	+90.6%
Private doctoral universities	68	91,500	1,300	83	224,300	2,700	+145.1%
Private comprehensive universities	135	118,400	880	191	156,000	820	+31.8%
Public comprehensive universities	124	20,100	160	154	33,000	210	+64.2%
Private baccalaureate colleges	411	255,700	620	336	376,800	1,120	+47.4%
Public baccalaureate colleges	39	5,900	150	12	6,700	560	+13.6%
Private 2-year colleges	42	3,100	70	25	3,400	140	+9.7%
Public 2-year colleges	94	1,100	10	125	3,700	30	+236.4%

Note. Dollar figures in thousands (add 000).

^a5-year change in total amount raised by each type.

Table 5

Non-Alumni Gifts for Ten Types of Higher Education Institutions for 1983/4 and 1987/8

	1983/4			1987/8			5-year ^a change
	N	Total Amount	Average per Inst.	N	Total Amount	Average per Inst.	
Private research universities	27	\$238,300	\$8,800	26	\$363,300	\$14,000	+52.5%
Public research universities	26	133,600	5,100	29	242,600	8,400	+81.6%
Private doctoral universities	29	98,600	3,400	45	177,600	3,900	+80.1%
Private doctoral universities	68	105,000	1,500	83	160,100	1,900	+52.5%
Private comprehensive universities	135	145,300	1,100	191	186,700	980	+28.5%
Public comprehensive universities	124	35,700	290	154	75,000	490	+110.1%
Private baccalaureate colleges	411	249,000	610	336	294,900	800	+18.4%
Public baccalaureate colleges	39	7,300	190	12	2,700	220	-63.0%
Private 2-year colleges	42	6,200	140	25	7,300	290	+17.7%
Public 2-year colleges	94	5,500	60	125	11,600	90	+110.9%

Note. Dollar figures in thousands (add 000).

^a5-year change in total amount raised by each type.

Table 6

Corporation Gifts for Ten Types of Higher Education Institutions for 1983/4 and 1987/8

	1983/4			1987/8			5-year ^a change
	N	Total Amount	Average per Inst.	N	Total Amount	Average per Inst.	
Private research universities	27	\$267,200	\$9,900	26	\$405,200	\$15,600	+51.6%
Public research universities	26	250,400	9,600	29	376,000	13,000	+50.2%
Private doctoral universities	29	84,400	2,900	45	144,700	3,200	+71.4%
Private doctoral universities	68	174,100	2,700	83	307,500	3,700	+76.6%
Private comprehensive universities	135	71,600	530	191	104,600	550	+46.1%
Public comprehensive universities	124	34,600	280	154	69,000	450	+99.4%
Private baccalaureate colleges	411	93,300	220	336	99,800	300	+7.0%
Public baccalaureate colleges	39	6,100	160	12	3,800	320	-37.7%
Private 2-year colleges	42	2,600	60	25	2,100	80	-19.2%
Public 2-year colleges	94	5,200	50	125	22,100	180	+325.0%

Note. Dollar figures in thousands (add 000).

^a5-year change in total amount raised by each type.

Table 7

Foundation Gifts for Ten Types of Higher Education Institutions for 1983/4 and 1987/8

	1983/4			1987/8			5-year ^a change
	N	Total Amount	Average per Inst.	N	Total Amount	Average per Inst.	
Private research universities	27	\$289,600	\$10,700	26	\$427,700	\$16,400	+47.7%
Public research universities	26	132,800	5,100	29	225,900	7,800	+70.1%
Private doctoral universities	29	71,300	2,500	45	150,300	3,300	+110.8%
Private doctoral universities	68	71,700	1,100	83	130,400	1,600	+81.9%
Private comprehensive universities	135	94,200	700	191	101,900	530	+8.2%
Public comprehensive universities	124	17,200	140	154	20,900	130	+21.5%
Private baccalaureate colleges	411	137,000	330	336	199,600	590	+45.7%
Public baccalaureate colleges	39	3,300	80	12	1,300	110	-60.6%
Private 2-year colleges	42	3,800	90	25	2,400	100	-36.8%
Public 2-year colleges	94	1,600	20	125	7,600	60	+375.0%

Note. Dollar figures in thousands (add 000).

^a5-year change in total amount raised by each type.

By 1987/8, the picture had changed somewhat, primarily reflecting the changes in corporation dollars raised by public institutions.

For alumni gifts, non-alumni gifts, and foundation gifts, all private institutions had higher averages per institution than the corresponding publics of the same types. In many of the private-public pairs for alumni gifts, in particular, the differences in average per school continued to be substantial. For instance, the average total for alumni gifts to private research universities for 1987/8 was more than \$20 million per school, while the average total for alumni gifts to public research universities for the same year was \$8.0 million per school.

For corporation gifts, the average total for private research universities continued to be higher than for public research universities (\$15.6 million for each private research and \$13.0 million for each public research). The average total for private comprehensive universities (\$550,000) also continued to be higher than for public comprehensives (\$450,000). However, there was a much smaller difference between private and public comprehensives in 1987/8. In 1983 the difference between private and public comprehensives was about \$250,000 per institution. By 1987/8 the difference had dropped to about \$100,000 per institution. For the other three private-public pairs (doctoral universities, baccalaureate colleges, and two-year colleges), average totals for corporation gifts were higher (though not by much) for public institutions than for private institutions of the corresponding type.

Summary of Fund Raising Outcomes for Private and Public Institutions

Perhaps we may someday look back on the last ten years as the golden age of higher education fund raising, when, in general, all types of institutions with serious fund raising programs raised more money each year from each donor

group and campaigns with goals in the millions and even billions were planned and implemented. To continue the "golden" allusion, perhaps the "golden goose" has roosted somewhere else. As stated earlier, under any circumstances, fierce competition will continue to increase for available philanthropic dollars and public institutions are taking an increasingly larger portion of those funds.

RESEARCH ON FUND RAISING EFFECTIVENESS

Background

Our first national research (1986) in the area of fund raising effectiveness was to explore the relationships of institutional characteristics, fund raising expenditures, and basic fund raising methods to fund raising outcomes. This research involved 575 institutions, both private and public, and indicated generally that some institutional characteristics (such as institutional size, budget, and age, for example) were positively correlated with fund raising outcomes. However, the strength of these correlations varied by type of institution (Duronio & Loessin, 1989; Duronio, Loessin, and Nirschel, 1989; Loessin, Duronio, and Borton, 1988).

Results also indicated that the analysis of institutional characteristics alone did not fully explain why some institutions raised considerably more money in voluntary support than other similar institutions. For all types of institutions, we found the following combinations of institutional resources and fund raising outcomes: high (level of) resources and high outcomes, high resources and low outcomes, low resources and high outcomes, and low resources and low outcomes.

Nor did an analysis of basic fund raising methods satisfactorily distinguish between institutions with high and low outcomes in voluntary support. Our exploration indicated that the majority of institutions in our study, regardless

of the level of performance in fund raising, all used the same basic methods and programs. We concluded from this part of our research that the majority of institutions with fund raising efforts serious enough to warrant reporting to CFAE (from which institutions were selected for study) were all using the same basic methods.

Therefore, to continue to explore the concept of fund raising effectiveness, it seemed reasonable to look next at more qualitative aspects of fund raising programs. We developed a preliminary model of eleven qualitative elements of fund raising effectiveness. This model was adapted from the work of Gilley, et al. (1986) on excellence in higher education institutions. Our model included the following elements:

- o Chief Development Officer Critical to Institutional Mission
- o Chief Development Officer's Leadership
- o Close Relationships with Community and Donors
- o Commitment to Excellence
- o Entrepreneurial Atmosphere
- o Institutional Commitment to Fund Raising
- o Positive Climate and Working Environment
- o Presidential Leadership in Fund Raising
- o Staff Commitment to Institution
- o Strategic Mission Orientation
- o Trustee Participation and Support

Methodology

Using the multiple regression analyses from our earlier research, we examined differences between predicted and actual voluntary support outcomes

for each of the 575 institutions in our original study. Institutions for which actual total dollars raised were higher than statistically predicted became the pool of effective schools from which specific institutions were chosen for further study. We selected one private and one public institution from each of the following types: research universities, doctoral universities, comprehensive universities, baccalaureate colleges, and two-year colleges.

Final selection was based on geographical diversity and the institutions' agreements to participate. The ten institutions studied were located in Arizona, Iowa, Massachusetts, Michigan, North Carolina, Ohio, Oregon, and Texas. We deliberately avoided institutions with "spectacularly successful" fund raising programs, such as Stanford and the University of Michigan, on the assumption that their high visibility in the fund raising area was a factor that now contributed to their continuing success, as well as having been caused by it. Since we selected only one institution of each type, we thought institutions identified through our statistical process as successful (based on the relationships of their resources and outcomes), but without well-known reputations for fund raising success, might be more representative of other less-than-spectacular institutions of the same type. We also thought that fund raisers might be better able to gain practical knowledge from case studies of successful institutions which were without (so far) high visibility for fund raising results.

There are considerable differences in major institutional characteristics and in fund raising outcomes in ten selected institutions. Table 8 shows the range and median for institutional characteristics and Table 9 shows the range and median for fund raising outcomes for these ten institutions.

We collected data by making site visits of one to three days' duration to

Table 8

Range and Median for Institutional Characteristics for Ten Institutions Studied

Characteristic	Private	Public
Inst.1 budget	\$165,939,999 - 2,800,000 (median = \$36,669,000)	\$348,153,000 - 12,452,000 (median = \$108,280,000)
Endowment	\$243,552,000 - 9,761,000 (median = \$17,820,000)	\$41,100,000 - 1,346,000 (median = \$1,081,000)
Tuition	\$12,100 - 3,600 (median = \$7,500)	\$1,900 - 840 (median = \$1,200)
Alumni/record	82,500 - 6,400 (median = 52,600)	125,000 - 9,800 (median = 56,500)
Age of inst.	162 - 30 (median = 130)	120 - 24 (median = 103)
Enrollment	7,900 - 500 (median = 5,500)	30,900 - 6,500 (median = 15,300)

Table 9

Range and Median for Fund Raising Outcomes for Ten Institutions Studied

Outcome	Private	Public
Total voluntary supp.	\$28,120,000 - 809,000 (median = \$4,935,000)	\$27,905,000 - 322,000 (median = \$4,700,000)
Alumni gifts	\$8,917,600 - 182,000 (median = \$1,835,000)	\$3,199,100 - 6,648 (median = \$504,000)
Non-alumni gifts	\$4,506,200 - 316,000 (median = \$1,366,000)	\$13,575,000 - 187,000 (median = \$2,019,000)
Corporation gifts	\$7,241,000 - 144,000 (median = \$1,800,000)	\$10,588,000 - 99,200 (median = \$1,243,000)
Foundation gifts	\$8,570,000 - 165,000 (median = \$519,000)	\$3,012,000 - 29,100 (median = \$860,000)

each institution. During site visits, we interviewed people important to successful fund raising efforts and reviewed materials and documents related to fund raising activities, plans, and evaluations. We interviewed over 100 professionals, which included presidents, the chief development officer, all other persons with management responsibility in the fund raising area, and professional fund raising staff. We also reviewed pertinent documents and printed materials.

Data from the site visits are being analyzed in two ways: across cases and case-by-case. The analysis across cases is an examination of the model for fund raising effectiveness. The complete case-by-case analyses consist of extensive descriptions of the history and current status of fund raising programs in each institution. In this section, we present a short review of the model, describing the differences in the results for private and public institutions. A brief case summary for each institution appears in Appendix A.

Results and Discussion

After each site visit, we rated each element in the model based on whether the element was an outstanding, definite, emerging, or minimal characteristic at each of the institutions, using a scale of from 4 (outstanding) to 1 (minimal). We based these subjective qualitative evaluations on data from the entire site visit at each institution. We calculated the average rating for all elements and ranked them for private and public institutions, as in Table 10.

The institutions varied in terms of how many of the elements were outstanding or definite characteristics. One public institution received an outstanding or definite rating for ten of the eleven elements; the public institution with the lowest number of outstanding or definite characteristics received three. One private institution received an outstanding or definite

Table 10

Element Ratings (Overall Averages) for Public and Private Institutions

Public			Private	
Rank	Element	Rating	Element	Rating
1	Close to comm./donors	4.0	Presidential leadership	4.0
2	Commitment to institution	3.2	Chief dev. off. critical	3.8
			Commitment to excellence	3.8
3	Commitment to excellence	3.0	Institutional commitment	3.4
	Institutional commitment	3.0		
	Presidential leadership	3.0		
4	Chief dev. off. critical	2.8	Chief dev. off. leadership	3.0
			Entrepreneurial atmosphere	3.0
			Positive climate	3.0
5	Trustee participation	2.6	Close to comm./donors	2.8
			Trustee participation	2.8
6	Chief dev. off. leadership	2.4	Commitment to institution	2.6
	Entrepreneurial atmosphere	2.4		
	Positive climate	2.4		
7	Strategic mission orient.	1.8	Strategic mission orient.	2.4

rating for nine of the eleven elements; the private institution with the lowest number of elements rated as outstanding or definite characteristics received seven, indicating that, overall, these elements were more likely to be more characteristic of private institutions than of publics. While it is true that this group of private institutions is "better at" the elements contained in the model, but this overall finding also raises the important question of whether the model is also more appropriate for private institutions than for publics. The variation among institutions, however, does seem to demonstrate that it is not necessary for an institution to be outstanding in all or even the majority of these elements to be successful in fund raising.

The overall average rating for public institutions was 2.63 and for private institutions, 3.11. The ratings for elements in private institutions were higher than for those in public institutions, with the exception of two elements, Close to Community and Donors and Commitment to Institution.

We rated Close to Community and Donors as an outstanding characteristic in all five public institutions, but outstanding in only two private institutions. This difference probably reflects the fact that, in general, fund raising is newer to public institutions than to private institutions. There may have been an earlier tendency on the part of fund raisers in private institutions, with well-established fund raising traditions, to take their donors more for granted, but this is a circumstance that is changing in the three private institutions with less than outstanding ratings for this element. In these schools, there are efforts underway to provide more recognition and acknowledgment of donors than has been done in the past. Another factor that may affect differences in this element for private and public institutions is that public institutions in general tend to have a stronger interest in

providing service to the community, an attitude which may automatically carry over into fund raising programs.

The other element with a higher rating for public institutions than for privates, Commitment to Institution, ranked second for publics (overall rating 3.2) and second from the bottom for privates (overall rating, 2.6). In four of the public institutions and two of the privates we found that staff had a strong commitment to the overall success of the institution, not only to successful fund raising. In one public institution, all but one of the professional staff we interviewed were alumni of the institution. In one private institution, the fund raising/development staff had the most seniority -- being a part of the institution was an integral part of their lives, and the lives of their families. Though not alumni themselves, many of their children were, and for one staff member, a grandchild was a current student at the institution.

In some of the other institutions with lower ratings for Commitment to Institution (three privates, one public) we found that the commitment to successful fund raising outcomes seemed stronger than commitment to the institution. In some cases this seemed to be a reflection of the overall continuing success and well-established academic reputations the schools enjoyed -- a taken-for-granted assumption that the institution would continue to survive and prosper. Not meant as a criticism of any development staff, we make this observation to suggest that a deep commitment to the overall institution on the part of the fund raising staff, while not a necessary condition, can make up for other resources often associated with fund raising success -- such as long fund raising traditions, for instance -- that may be scarce or lacking all together.

Presidential Leadership is the element outstanding in all private institutions (outstanding or definite in only three publics). When all ratings

were combined, this element had the highest overall average. Presidents in these institutions were not only actively involved in fund raising but were also exceptionally talented at articulating the mission of the institution and the "case" for private gifts, and in mobilizing both internal and external constituencies.

Institutional Commitment -- not only a measure of resources committed and overall priority given to fund raising, but also an acceptance and appreciation of fund raising as a valued organizational process -- was an outstanding or definite characteristic in all but one institution, where it was rated as an emerging characteristic. The element is about equally placed in the rankings for private and public institutions. If we had to pick one of the listed elements as essential for continuing, long-term fund raising success, we believe it would be this one. Other factors don't seem to matter as much if the institution is not willing to commit the resources to a serious fund raising effort. Obviously, however, commitment of resources -- i.e., spending a lot of money -- in and of itself, doesn't guarantee success, and development staff in most of these institutions were emphatic about the fact that fund raisers cannot do the job by themselves.

Commitment to Excellence was rated and ranked higher in private institutions than in public. This was a measure of commitment to improvement, to raising more money each year, but also to improving all aspects of the fund raising process along with increasing the figure on the bottom line, and to contributing to overall institutional enhancement. Although there was a great deal of change occurring in most of the institutions we studied, programs in private institutions were on the whole more stable, and in public institutions more emergent. This difference in the Commitment to Excellence could reflect

these differing stages of program life cycles.

The importance and participation of the chief development officer in each institution in setting or achieving overall institutional goals differed for private and public institutions. This element ranked second for privates with an overall rating of 3.8 and ranked fourth (2.8) for publics. This difference may also reflect the fact that fund raising programs are not as well-established in some publics as they are in most privates. We think fund raising/development and overall institutional progress are processes that most appropriately work in a push/pull relationship. As fund raising improves, institutions are enhanced, but institutions must continue to grow for fund raising to improve. Similarly, as institutions grow, fund raising must improve. Some of the chief development officers in the public institutions were actively supported and encouraged by their presidents to play an increasingly greater role in the executive leadership of the institution. The majority of chief development officers in the private institutions in this study were already doing that.

Trustee Participation, a measure of whether trustees are involved in the fund raising process either as donors or as resources, received similar ratings in both private (2.8) and public (2.6) institutions. These ratings were surprising for two reasons. First, we expected that the ratings would be higher in general since it is a bit of current conventional wisdom that trustee participation is "essential" to fund raising success. Then, we also expected a larger difference between private and public institutions since trustees in private institutions are often selected at least in part for their ability to be donors and provide prospect contacts, which is not the case in many publics, where trustees are often gubernatorial appointees.

Only two institutions (one public, one private) of the ten received

outstanding ratings for Trustee Participation. Nevertheless, only one institution received a "1" rating (minimal or not characteristic), indicating that trustee support does play a limited role in most of these successful fund raising programs, with some expectation on the part of some development staffs that the role will increase (although two institutions which received "3" ratings were quite satisfied with the level of participation of their trustees).

Chief Development Officer's Leadership received overall higher ratings in private institutions than in publics, although two privates and two publics each received outstanding ratings for this characteristic. This was primarily a measure of the chief development officer's impact on the staff and influence with the president. Two of the publics with low ratings for this element were engaged in a search process for a new chief development officer. One private institution with a low rating had a new chief development officer in that position for less than a month at the time of the site visit. In these institutions it was expected that the new chief development officer would galvanize institutional forces and development staff into new or enhanced fund raising efforts.

For the four institutions receiving outstanding ratings for this element, we were intrigued to note that the chief development officer in each case was clearly making a critical difference and a distinguished contribution to the fund raising effort, but the personal style and area of impact of these four executives differed widely. For instance, one of these chief development officers was a highly energetic entrepreneur and a visionary who pushed everyone on his staff to keep up with him. The other three, all experienced fund raisers themselves who had "come up through the ranks," were outstanding in their practical knowledge and their management skills.

Positive Climate was a measure of the atmosphere we "picked up," a combination of how people felt about their actual work, their work environments, their managers, their co-workers, their donors, and so on. Thrown in here also is a measure of employee "morale," and of how much "fun" the staff seemed to be having. The rating was higher for privates (3.0) than for publics (2.4), although positive climate in seven of all ten institutions was rated as a definite or outstanding characteristic. However, as for the other elements, the same rating does not necessarily mean that the "climate" or atmosphere was similar, because it was not. Some development offices and staffs projected a more "corporate" image, others a more "academic" image, for instance, and there seemed to be a great deal more formality in some development offices than in others.

(We're not sure exactly where to put this observation, but there were also some drastic differences in the actual physical environments of these development offices. Had this been a rated element there is no question but that public institutions would have received higher ratings for more spacious, more comfortable, and/or more attractive surroundings -- excluding offices of presidents and vice presidents in both private and public institutions, all of which were attractive.)

Entrepreneurial Atmosphere was a measure of creativity, of evidence that the development leadership and staff were interested in new ideas and willing to take risks to explore new opportunities. This element was rated higher in private institutions than in public and may reflect again how well-established programs are. Long-standing programs well past the start-up stage are in need of continual revitalization. Many of the public institutions had at least some new (to them) aspect of fund raising that has been standard in privates for

decades. We also expected, correctly, that this element would be more common in the larger institutions, regardless of whether private or public.

We defined Strategic Mission Orientation as the presence of a written long-term strategic mission statement and formal written plans. That this element received the lowest ratings of all elements in both private and public institutions was another surprising finding. How well established, developed, and utilized the planning process was seemed to be related to size of staff and the complexity of fund raising programs, which turns out to be not surprising, after all. Planning provides coordination in complex operations where there is both a specialized division of labor and more than one person doing the same thing. In the institutions with smaller staffs and less complex programs, there was not much formal planning, but managers of these programs indicated that they would need to do more formal planning as their programs became more ambitious. For a fuller treatment of the analysis of planning in these institutions, see Loessin & Duronio, 1989.

An element not included in the original model, but clearly needed, was something we now call Clarity of Institutional Image. This was the only factor that was an outstanding characteristic at every one of these very dissimilar institutions. We will definitely include this in our revised model (to be used in further research). In fact, this element equals Institutional Commitment, in our thinking, to form the necessary and sufficient conditions for fund raising success. Development staffs at each of these schools knew their institutions -- what the school had to offer, what it was best at, and what its values were -- and these fund raisers knew what to "sell" to potential donors. In eight of these institutions, a new or enhanced institutional image was methodically being forged by the skillful ministrations of a president, with

assistance from the development staff.

Summary and Next Steps

The major outcomes of this study include:

1. The model of eleven elements seems to capture much of what characterizes successful fund raising programs in these higher education institutions.
2. Private institutions, in general, are more likely to be outstanding in these characteristics than are publics.
3. Clarity of Institutional Image -- an element clearly associated with fund raising success and originally omitted from the model -- and Presidential Leadership are the two elements found most often to be outstanding in these successful fund raising programs.
4. Fund raising success does not require that an institution be outstanding in all or even a majority of the elements.
5. There are as many combinations of outstanding elements as there are institutions in the study.

These outcomes, along with the continuing increased success of fund raising programs in public institutions, warrant further study. Our follow-up research will be an attempt to test the revised model empirically by surveying fund raising professionals in approximately 600 higher education institutions.

Using the methodology from our earlier research, we will conduct multiple regression analysis to identify whether each institution's fund raising performance (based on relationships of resources and outcomes by type) is high, middle, or low. Responses from fund raising professionals in these institutions will be compared to identify differences for high, middle, and low performing programs, and for private and public institutions.

This study should enable us to make research-based recommendations for

specific areas for improvement in institutions of any type. What excites us about the potential of this further research is that we are collecting data about elements that can be dramatically affected by executive and fund raising leadership.

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APPENDIX A

CASE-BY-CASE ANALYSES

The case-by-case analyses were compiled from over 100 interviews, resulting in over 1,200 pages of edited transcripts. In the actual report, we relied heavily on verbatim quotations to retain the rich flavor of the data as well as the abundant information about fund raising techniques and philosophies.

1. "STATE OF THE ART AND BY THE BOOK" Alpha — A Private Research University

Some years ago, under an earlier administration, following the successful completion of a campaign for \$250 million, fund raising activities were virtually shut down. Some years later, a new chief development officer and president arrived and quickly discerned that the university was losing its place as a major fund raiser and needed to re-establish its skills and activities in this area as soon as possible.

The university is now in the pre-announcement stage of another major campaign that will have a goal between \$300 and \$400 million. Current staff, many of whom are new to this university, are building their comprehensive programs almost from the ground up, using state-of-the-art technology and today's most sophisticated textbook approach.

Specific aspects of note about fund raising at Alpha University include the considerable influence and impact of a powerful president, the management style of a colorful vice president, and particularly detailed coverage of new annual gifts and alumni relations programs.

2. "ON THE MOVE AND COMING ON STRONG" Beta — A Public Research University

The executive director of development at Beta has been in his role for eleven years. When he arrived, he was the only member of the fund raising staff. Today, the professional development staff, excluding alumni affairs or publications, now numbers almost thirty, and includes college development officers.

Beta is in the second year of a four and a half year campaign and about two-thirds of the way toward the \$100 million goal. This is Beta's first major campaign.

The fund raising story at Beta is one of regular, consistent, steady growth over the last ten years. An outstanding characteristic of the fund raising approach in this public university is the degree to which volunteer advisory boards are integrated into all aspects of university planning and fund

raising. At this university, professional staff most often cited the leadership of the executive director of development as most responsible for Beta's fund raising success. Among other features, Beta provides information on a well-developed internal campaign, a comprehensive research and donor tracking process, a unique campaign staffing structure, and a planning and evaluation model that eschews specific goal-setting.

3. **"BREAKING ALL THE RULES"**

Gamma — A Private Doctoral University

On this campus, everyone tells the story about the president and the earlier campaign. Consultants advised that Gamma could expect to raise \$40 million, but the president wasn't satisfied, so he got rid of the consultants and most of the fund raising staff, hired a new vice president for development and new staff, and set the goal for \$100 million more than the consultants recommended. Gamma raised \$145 million in that campaign and has been breaking many other fund raising rules and traditions ever since. The present campaign has as its goal \$250 million.

Of all those studied, this is the institution with the most maverick approach to fund raising. Two of the characteristics making Gamma singular are the deliberate avoidance of the use of volunteers and reliance on formal, comprehensive planning and goal-setting.

Both of these elements can be seen as natural outgrowths of the philosophies of senior management, who conceive of the fund raising staff as a sales team and who consciously use techniques borrowed from sales training, sales management, and marketing to run this operation, which they describe as a business with a \$6 million annual budget and 120 employees that will turn a 700% profit this year. The avant-garde, entrepreneurial approach at Gamma is in the hands of some of the most professional, most experienced higher education fund raisers in the field today.

4. **"IN A REVOLUTION BUT MAINTAINING EFFECTIVENESS"**

Delta — A Public Doctoral University

Many offices and structures at Delta have undergone radical changes in the last several years as the new president has implemented a management approach totally new to this university. Two major changes specifically affecting fund raising have occurred, in addition to the fact that the position of vice president for development has been vacant for over a year. One change involves the separation of the university development office, the fund raising arm, from the university foundation. The other significant change has been the decentralization of fund raising duties among college fund raisers who report formally only to their deans.

These changes and the necessary staff adjustments and adaptations are uppermost in everyone's mind, even though they continue to raise an impressive amount of money for Delta and continue to enlarge and expand the scope of fund raising here.

This public university has in its annual gifts program an alumni participation rate which is the highest of any public university west of the Mississippi River. Part of the reason for this success, in addition to very successful telemarketing techniques, is how strongly everyone feels about this school. Delta has a long-standing reputation as a homey, caring, and wholesome place with a no-nonsense approach to education. At other universities, for instance, fund raising staff expressed great pride regarding their universities' accomplishments. At Delta, fund raising staff expressed great love for their university. And most professional staff believe that it is allegiance and regard for the institution that will see them through the revolutionary changes and adjustments they've faced. Delta has recently begun preliminary discussion about if, when, and for what goal, it might undertake its first major fund raising campaign.

5. **"PLANNING FOR EFFECTIVENESS"**

Zeta — A Private Comprehensive University

The professional fund raising staff at Zeta are almost all new to this university. The vice president for institutional advancement has been in his role for two and a half years and has been carefully laying the foundation for a new fund raising program at Zeta. A unique aspect of this institution is how priorities for a major fund raising effort were established.

The president convened an impressive task force of 350 volunteers from around the country who worked with members of the board of trustees and academic deans to set comprehensive plans and goals for each area of the university. Financial details were left unspecified until the board made its final decisions about which recommendations to implement. The important result of this, the vice president asserts, is that the needs and goals underlying fund raising efforts at Zeta had their genesis, and therefore, ownership, at the board level.

In a previous successful campaign, Zeta raised most of the \$50 million goal from corporation donors. The present senior staff think that campaign did nothing to permanently enrich the university. This staff expresses a strong commitment to establish at Zeta a fund raising orientation that will not only catapult the university to a new level of dollars raised but one that will also permanently enhance and undergird future fund raising efforts. A major part of this effort is the determination to cultivate relationships with long-neglected alumni upon whom present staff believe all future fund raising success depends.

6. **"WE TRY HARDER"**

Theta — A Public Comprehensive University

This public comprehensive university, of modest size and resources, is located in an area that is also home to two of the country's most notable research universities — with whom this institution has always been compared, and, naturally, always unfavorably. Nevertheless, loyalty and fierce devotion to the university were more pronounced here than at any other institution studied.

Staff here are convinced that their success in fund raising is a combination of two major factors: since Theta has a history of being the "step-child" or "poor cousin," they're always "coming from behind," but, since they love their school so much (all but one of the professional staff are alumni), they simply try harder.

The vice president and staff are working to enlarge and develop professional programs for annual gifts, planned giving, major gifts, and corporation and foundation gifts. The vice president's leadership is cited frequently as a major factor in the school's fund raising success; the president also contributes a great deal, both in his support and appreciation for major fund raising efforts, and in his own skillful involvement.

Separate staff raise money through the medical and athletic foundations. The chief fund raiser for the medical foundation emphasized personal involvement and contributions to the community as important to fund raising success. Fund raisers for the athletic foundation emphasized the role Theta plays as a resource and source of identification for the regional area.

7. **"NECESSITY — THE MOTHER OF EFFECTIVENESS"**
Kappa — A Private Baccalaureate College

This college has an affiliation with a Christian religion, but does not receive direct operating support or donations from its church. All private support, which has been absolutely critical to the actual survival of this young institution, thirty years of age, has been raised through traditional fund raising efforts of the development staff.

One of the features making Kappa unique among all the schools studied is the long tenure of the fund raising staff. Although they have had some recent organizational changes, like most other institutions in the study, most of the professional fund raising staff have been at Kappa for many years.

Kappa's president is an articulate spokesman of the institution's fund raising history, indicating that Kappa has just recently arrived at the point where they can raise money to increase the margin of excellence at Kappa, rather than raising money to keep the doors opened. It is only in the last year or so that the financial picture has been such that revenues from voluntary support can be directed toward making improvements and enhancements.

When asked how they have managed to raise more money than statistical procedures would predict, they replied, "We had to or we would have had to close our doors." But, when we pointed out that some schools do in fact close for lack of funds, the commitment of the staff to seeing this college survive and thrive became apparent. Kappa was a pioneer in its region in cultivating and soliciting planned gifts.

8. **"RELEVANCY TO CONSTITUENTS EQUALS SUCCESS"**

Rho — A Public Baccalaureate College

The vice president for institutional advancement and the director of development, new in these new positions at Rho College, are the first to admit that Rho's fund raising success to date is largely the accomplishment of several deans and academic program directors. This college, known as "the college that works," has a state-wide reputation for producing much-sought-after graduates in certain technical fields. Newspaper advertisements for job openings often include the phrase, "Rho graduate preferred."

Academic program directors make certain that curricula are responsive to the needs of potential employers by working closely with numerous advisory boards and through other vehicles that keep them in close touch with representatives from industries and businesses that hire Rho graduates. These connections, maintained for academic reasons, nevertheless provide excellent opportunities for acquiring cash and in-kind gifts without which the college would not be able to maintain its superlative reputation.

Until very recently, Rho has not had much of a centrally organized fund raising effort. Present professional staff are working to change that, in particular, by implementing college-wide telemarketing efforts to raise unrestricted money through the annual fund, and, in general, by educating the college about the need for a centrally organized major campaign.

9. **"CLOSE AND PERSONAL"**

Sigma — A Private Two-Year College

This institution has a long tradition of very close, personal relationships with donors. The development director and the president are committed to continuing this very personal approach. Although they work daily to enlarge their donor constituency, their emphasis clearly is on acquiring ongoing support from current donors. Since Sigma is a small school with a fairly localized donor pool, they can continue to offer the most direct and personal attention, acknowledgement, and solicitation possible. This pays off, not only in continuing support from numerous donors, but also in acquiring new contacts and referrals.

The president, in office at Sigma only six months, is delighted at how easy he finds it to raise money for Sigma, which he attributes to a number of factors, including the rich ceremonial traditions of the school which build alumnae loyalty and the effective efforts of the alumnae association and the development director to maintain contact with former students and parents.

The president and the development director also cite Sigma's "distinctive niche" as a factor in their fund raising success. Sigma has a strong reputation in the state for producing graduates who are very successful in completing the last two years at senior colleges.

10. **"WITH HELP FROM OUR FRIENDS"**
Omega — A Public Two-Year College

The private foundation for this public community college has generated over the years a remarkably loyal, hard-working board, now thirty in number, who provide strong personal support to the college but who also canvass, recruit, and solicit new friends and donors for Omega. College development staff also have positions and responsibilities in the foundation office. Omega has had two major project-specific campaigns in the past, each of which raised over \$1 million dollars.

In general, the college raises from about \$300,000 to \$600,000 annually, only a small percentage of which comes from alumni.

The new president and soon-to-be-hired executive director of development want to build on present strengths and expand formal fund raising at Omega in several areas, such as the cultivation of professional people in the region for solicitation of planned gifts, more systematic solicitation of corporation donors, and more direct solicitation of community members who use college facilities and attend college programs at nominal cost.

Margaret A. Duronio is project director and principal investigator of two national studies on fund raising effectiveness. She is assistant to the vice president for university relations and development at the University of Pittsburgh. She has a doctorate in higher education and has worked as a researcher in higher education and as a management development consultant and trainer.

Bruce A. Loessin is vice president for university relations and development at the University of Pittsburgh. With more than twenty years' experience in the field, Loessin is responsible for the management of Pitt's current \$225 million major campaign, in addition to research activities.